

**WORK ASSIGNMENT REQUEST**  
**WA NO: 1-03**  
**Amendment 1**

**WORK ASSIGNMENT TITLE**

Technical and regulatory support in the development of a rulemaking to modify NESHAPs Subpart W, the national emissions standards for radon emissions from operating mill tailings (40 CFR 61.250).

**WORK ASSIGNMENT MANAGER**

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**CONTRACTOR: S. Cohen and Associates**

**LEVEL OF EFFORT**

**Hours: 300**

**Completion Date:** Date of Contracting Officer approval through January 26, 2011

**BACKGROUND**

The Office of Radiation and Indoor Air (ORIA) promulgated a National Emission Standard for a Hazardous Air Pollutant (NESHAP) for radon emissions from operating uranium mill tailings impoundments (Subpart W) on 12/15/1989. Subpart W includes two separate standards. First, existing sources must ensure emissions from tailings impoundments not exceed 20 pCi/m<sup>2</sup>-sec of radon-222. Second, new sources must comply with the requirements for constructing one of two types of impoundment structures. Subpart W requires that existing sources file an annual report of the facility's emissions. Section 112(q) of the Clean Air Act, as amended (CAAA) requires EPA to review, and if appropriate, revise, this standard on a timely basis (10 year interval). The Agency has not reviewed this standard in the period allotted and now desires to do so.

**PURPOSE**

The purpose of this work assignment is to amend Work Assignment 1-03 to obtain contractor support to address development of a draft Economic Impact Analysis.

## SCOPE OF WORK

In meeting the requirements of this work assignment, the contractor shall be in a support role, and will not be involved in the development of EPA policy, nor in any other activity that is an “inherently governmental function.”

**Task 1: Prepare revised work plan and cost proposal.** The contractor shall submit a work plan that details the contractor's approach for accomplishing the Work Assignment, including a schedule of deliverables, staffing plan (with statements of experience), estimated labor hours and a detailed cost proposal, with relevant ODCs, on a task by task basis.

**Task 4: Prepare draft chapters for an Economic Impact Analysis that assists in EPA’s defense of a proposed rulemaking decision for NESHAP Subpart W.**

The contractor shall begin preparation of an economic impact analysis that will assist in EPA’s defense of a proposed rulemaking for Subpart W. Additionally, under a separate work assignment, the contractor has been providing support for the review and possible revision of 40 CFR 192. It is anticipated that there will be significant portions of overlap in the economic analyses of Subpart W and 40 CFR 192. While the scope of this work assignment is specifically for the production of a document for the Subpart W rulemaking, the contractor shall identify and preserve the portions of the analysis that pertain to both rulemakings, and shall submit those portions separately to the WAM.

The WAM shall submit to the contractor a CD of an EPA guidance document on preparation of Economic Impact Analyses. The contractor shall meet with the WAM and shall obtain the approval for the chapters and contents prior to beginning the work on each chapter. The Contractor shall submit draft chapters to the WAM on a schedule included in the Contractor’s work plan, and agreed to by the WAM. The WAM shall have 14 days to review and submit comments to the Contractor, and the Contractor shall process those changes and resubmit the final draft chapters with 7 days. Specific economic and socioeconomic questions to be addressed include, but are not limited to:

- What are the base case economic costs for development of new uranium and thorium mills, uranium ISL and heap leach facilities including the various components of the operations? This is to be coordinated with OSWER’s review of financial bonding requirements regulatory review for CERCLA Section 108. The WAM will meet with the contractor to discuss this requirement prior to work plan approval.
- What are the ranges of equipment and labor costs, tax framework including capital depreciation and depletion allowances, lease royalty and rental expenses, appropriate discount rates, as well as capital and other borrowing costs plus insurance and bonding expenses, and likely profit structure—gross and net?
- For each new alternative proposed revised standard, what are anticipated industry costs versus environmental and public health benefits and costs associated with the standard?

Prior to starting these analyses, the contractor shall determine what are the most appropriate, transparent, and peer reviewed economic models which can be used to evaluate the economic costs? What are the intangible versus tangible costs and benefits and how are they measured?

- The contractor shall collect information relating to how potential economic impacts and benefits to disadvantaged populations, Tribal populations, children's health and environmental justice concerns should be taken into consideration in evaluating the existing rule versus what may be needed in assessing alternative proposed standards. For each new alternative proposed revised standard what are the intangible versus tangible costs and benefits and how are they measured?

Preparation of supporting analyses and documentation of consultations for EO13175 and EPA Tribal policy, consideration of children's health in accordance with EO13045, significance determination under EO 12866, energy impacts under EO 13211, small entity impacts in accordance with the Regulatory Flexibility Act and Small Business Regulatory Enforcement Fairness Act, reporting or record keeping burden in accordance with the Paperwork Reduction Act, Environmental Justice analyses as required by EO 12898, unfunded requirements in accordance with the Unfunded Mandates Reform Act

- The contractor will review the original economic assessment material in the supporting documents associated with the original and subsequent Subpart W standards.
- The contractor will then evaluate this information and compare and contrast it to current modeling methodologies and cost/benefit studies, in order to determine if supporting information still needs to be collected or developed to answer these questions; if so, problem statements and work plans will be crafted in order to determine the best means of collecting the data.

Socioeconomic data collection and review to support the overall effort. The contractor will provide recommendations for the following:

- a significance determination under EO 12866
- energy impacts under EO 13211
- small entity impacts in accordance with the Regulatory Flexibility Act and Small Business Regulatory Enforcement Fairness Act
- reporting or record keeping burden in accordance with the Paperwork Reduction Act
- unfunded requirements in accordance with the Unfunded Mandates Reform Act.

With respect to other pertinent executive orders and EPA policy, the contractor will provide documentation of:

- Consultation with Tribal elected leaders conducted in accordance EO13175 and EPA Tribal policy. Includes documentation of coordination with the American Indian Environment Office and regional office efforts

- Consideration of children's health in accordance with EO13045
- Environmental Justice analyses as required by EO 12898.

## **SCHEDULE AND DELIVERABLES**

<b><u>TASK NO:</u></b>	<b><u>DELIVERABLE</u></b>	<b><u>DUE DATE</u></b>
<b>Task 1:</b>	Work Plan (Revised)	Within 10 days after receipt of Work Assignment
<b>Task 4:</b>	Draft chapters of the Economic Impact Analysis	As approved by the WAM from the Work Plan submitted by the Contractor

The contractor shall provide two hard copies of all deliverables and an IBM PC compatible compact disk (CD) copy in Microsoft Word 2003 to the Work Assignment Manager.

The Work Assignment Manager (WAM) is authorized to provide technical direction which clarifies the statement of work as set forth in this work assignment. Technical direction will be issued in writing or confirmed in writing, by the WAM, within five (5) calendar days after verbal issuance.

The WAM will forward a copy of the technical direction memorandum to the Contracting Officer and a copy to the Project Officer. Technical direction must be within the contract **and** the work assignment statement of work. Technical direction includes (1) direction to the contractor which assists the contractor in accomplishing the Statement of Work and (2) comments on and approval of reports and other deliverables.